

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 259567

64

ORIGIN COME-00

INFO OCT-01 EA-06 ISO-00 EB-07 RSC-01 /015 R

66604

DRAFTED BY COM/BIC/OED/MEPD:CATKINS

APPROVED BY EB/OCA/REP:GPWILSON

EA/ROK:HFNEWSOM

COM/BIC/OED/MEPD:JSANDS

COM/BIC/OIM:CMURRAY KINFO)

----- 108084

R 251740Z NOV 74

FM SECSTATE WASHDC

TO AMEMBASSY SEOUL

LIMITED OFFICIAL USE STATE 259567

E.O. 11652: N/A

TAGS: BEXP, KS

SUBJECT: TONG SUH PETROCHEMICAL

1. WE UNDERSTAND EMBASSY HAD BEEN BRIEFED BY GENE MARTEL, BADGER REPRESENTATIVE KOREA, ON THEIR BID FOR THE DOLS 16 MILLION ACRYLONITRILE PROJECT. MARTEL INFORMED HIS HOME OFFICE FRIDAY, NOV. 15 THAT NIIGATA HAS JUST RECEIVED LETTER OF INTENT FOR PROJECT. BADGER PROPOSAL HAD NOT YET BEEN PRESENTED ALTHOUGH THEY WERE UNDER IMPRESSION CUSTOMER WOULD WAIT FOR THEIR SUBMISSION. BADGER, NOT WITHSTANDING THIS INFORMATION, HAS NOW SUBMITTED BID BUT HAVE NO WAY OF KNOWING IF IT WILL BE CONSIDERED.

2. A GOOD PART OF NIIGATA'S PRICES WERE FIXED QUOTES, WHILE BADGER COULD NOT QUOTE LUMP-SUM OWING TO DIFFICULTY IN GETTING FIXED PRICE FROM U.S. SUPPLIERS AT THIS TIME. THEY THEREFORE POINT OUT THEY MIGHT HAVE HAD TROUBLE ANYWAY, BUT BELIEVE THEIR BID WOULD BE COMPETITIVE IN OTHER RESPECTS.

3. BADGER HAS ALSO BEEN INFORMED THAT ASAHI UNDERTOOK TO PURCHASE THE MAIN COMPRESSOR ON THEIR OWN HOOK WITHOUT CON-

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 259567

SULTING THE OTHER PARTNERS. THIS IS A MULTIMILLION DOLLAR ITEM

AND WAS EXCLUDED FROM THE NIIGATA FIXED PRICE BID.
THIS IN ESSENCE LEAVES NO BIG TICKET ITEMS IN THE NIIGATA
BID AND MAY BE CONSIDERED A CONCERTED JAPANESE EFFORT TO LOCK
IN BUSINESS FROM INSIDE.

4. WE HAVE DISCUSSED SITUATION WITH SKELLY. SKELLY, WHILE
SYMPATHETIC TO U.S. SOURCING, IS RELUCTANT TO ACTIVELY CONTEST
JOINT VENTURE DECISION FOR FEAR OF BACK-LASH ON THIS AND OTHER
INVESTMENTS IN KOREA - THEY DO NOT WISH NAME USED IN ANY
DISCUSSIONS.

5. WHILE IT WOULD APPEAR HANIL AND COMPANY ARE PREPARED TO
GIVE WORK TO NIIGATA, WE UNDERSTAND FINAL CONTACT MUST BE
APPROVED BY GOVERNMENT OF KOREA. BECAUSE OF THIS, THERE MAY
STILL BE A CHANCE TO INFLUENCE THIS DECISION. WE SUGGEST
EMBASSY CONTACT GENE MARTEL OF BADGER AND PERHAPS SKELLY
REPRESENTATIVE IN KOREA TO DEVELOP FULL UNDERSTANDING OF
SITUATION; AND TO DETERMINE EFFICACY OF APPROACHING KOREAN
GOVERNMENT AUTHORITIES. INGERSOLL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 25 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE259567
Document Source: CORE
Document Unique ID: 00
Drafter: CATKINS
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740342-0382
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741114/aaaaaloz.tel
Line Count: 80
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 07 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07-Aug-2002 by kelleyw0>; APPROVED <20-Nov-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TONG SUH PETROCHEMICAL
TAGS: BEXP, KS
To: SEOUL
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005